

Chairman Towns recapped the [Oversight Committee hearing](#) entitled, "Foreclosure Prevention Part II: Are Loan Servicers Honoring Their Commitments to Help Preserve Homeownership" on the Huffington Post.

[From the Huffington Post](#)

## **FORECLOSURE PREVENTION: MORE THAN A GOVERNMENT SOLUTION**

At the height of the recent economic collapse, the Federal government stepped in with billions of taxpayer dollars to save the nation's largest financial institutions from going belly up. Today, the financial system is stabilizing and some banks are even turning record profits. Sadly, the same cannot be said for millions of Americans who are struggling to avoid foreclosure.

Recognizing that any economic recovery will be incomplete without a rebounding housing market, to its great credit, the Obama administration created the Home Affordable Modification Program, or "HAMP," to combat the rise of foreclosures. It is clear that while HAMP has made significant progress, there are serious issues that need to be addressed. Too many HAMP-eligible borrowers' mortgages still have not been converted to permanent modification status.

Losing your house is a traumatic event for families and it is a destabilizing event for our society.

[According to leading economists](#)

, 2.4 million homeowners are expected to lose their homes this year alone, and more than 3.1 million Americans are delinquent on their mortgages by 60 days or more. Recent studies have found that minority communities are facing foreclosure at a higher rate than whites, regardless of income. And, the metropolitan area around my home state, New York, has the second highest percentage of HAMP activity in the nation. I believe we have an obligation to extend a helping hand to responsible homeowners to help them get over the rough spots.

As Chairman of the House Committee on Oversight and Government Reform, I held [a hearing in March](#)

to better understand the challenges facing HAMP. We heard directly from the Treasury Department, GAO, SIGTARP and others. Last week, I chaired a second hearing to probe

deeper into the foreclosure crisis. I asked the country's largest mortgage banks participating in HAMP to come before my committee and explain their efforts to help people stay in their homes.

I wanted to hear from the banks after learning that the chief complaint from HAMP participants is the slow pace at which troubled mortgages are permanently modified. I also wanted to know why we are hearing reports that loan servicers are providing confusing and conflicting communication to borrowers; understand why fewer delinquent borrowers appear to be qualifying for HAMP; why borrowers, who obtain a trial modification, drop out of the program later; and why the majority of the mortgage modifications obtained under HAMP may not be successful.

During the hearing, the witnesses acknowledged that their institutions must do more to help homeowners. We also discussed their responsibility to ensure that minority borrowers are not targeted for foreclosure. I was pleased to learn that some of the participating banks are going beyond HAMP to modify troubled mortgages.

Some of the mortgage servicers who testified last week reported on their actions to save homes from foreclosure with principal forgiveness, second lien modifications, and other help for the unemployed. The witnesses stated that they have hired special staff to focus on HAMP modifications and they are working to increase the level of service their customers deserve. These are good first steps, but I want to see more action. I also want to see broad participation throughout the mortgage loan industry.

If we are going to address the avalanche of nationwide foreclosures, the private sector must do their part help struggling homeowners. What we heard during the hearing was encouraging but we need to see more concrete action from the banks. I will continue to monitor this situation and look for ideas to make HAMP work so homeowners can stay in their homes.